

STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



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TO: County Auditors, County Assessors, and County Treasurers

FROM: Tim Berry, Auditor of State *TJB*
Chris Ruhl, State Budget Director *CR*
Tim Rushenberg, Department of Local Government Finance Commissioner *TJR*

SUBJECT: 2009 Property Tax Billing and Local Revenue Distributions

DATE: February 11, 2009

1. Due to logistical concerns surrounding the calculations needed to issue provisional tax bills for the 2008-pay-2009 billing cycle, the Department of Local Government Finance ("Department"), in conjunction with the State Budget Agency and the Auditor of the State, is authorizing the use of alternative solutions to help counties alleviate revenue shortfalls until regular property tax bills can be mailed.
2. As a first step, the State Budget Agency is authorizing the monthly distribution of the county adjusted gross income tax (CAGIT) and the county economic development income tax (CEDIT) revenues in those counties that have adopted them. In addition, the Auditor of State will provide procedures for counties that have adopted new Local Option Income Taxes (LOITs) under HEA 1478-2007 to advance distributions to the affected units.
3. Once a county demonstrates it has utilized these specific options and all other legal measures to distribute revenue to local units, the State Budget Agency, in conjunction with the Auditor of State, will authorize the early distribution of a county's share of the state's \$140M in additional Homestead Credit funds (HEA 1001-2008).
4. If after taking these steps a county still finds the need for more revenue, a county may request the Department to calculate "scaling factors" needed to issue provisional tax bills in 2009. In prioritizing these requests, the Department will favor counties that have demonstrated that all local options have been exhausted. In addition, preference will be given to counties that show that all stakeholders in the property tax collection process (i.e., county auditor, county assessor, and county treasurer) are in agreement about the necessity of issuing provisional tax bills.
5. For more information regarding the challenges associated with issuing provisional tax bills for 2008-pay-2009, please see the PowerPoint presentation distributed to all assessors, auditors and treasurers on December 23, 2008. This PowerPoint is available on the Department's Web site at <http://www.in.gov/dlgef/7176.htm> and is attached with this memorandum.

If you have any questions or concerns, please contact Assistant Budget Director Dan Jones at 317-232-0651 or djones@dlgf.in.gov or Budget Field Supervisor Linda Lessaris at 317-233-9239 or llessaris@dlgf.in.gov.